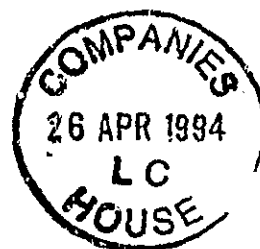


ABBEY NATIONAL JUNE LEASING (1) LIMITED

REPORT AND ACCOUNTS
For the year ended 30 June 1993

REGISTERED IN ENGLAND AND WALES No. 2426011



ABBEY NATIONAL JUNE LEASING (1) LIMITED

DIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended 30 June 1993.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is the leasing of commercial vehicles, plant and equipment, and is likely to remain so for the foreseeable future.

RESULTS

The profit for the year on ordinary activities after taxation amounted to £1,393,538 (1992: £327,843) and has been transferred to reserves.

The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

Directors during the year were:

J.M. Tyrrell (Chairman; resigned 30 June 1993)
I. Harley (appointed 1 October 1992; resigned 13 October 1993)
J.C. Nicholls
S.M. Julian
R. Garratt
D.G. Jones (resigned 1 October 1992; reappointed 13 October 1993)

Mr I. Harley succeeded Mr J.M. Tyrrell as Chairman of the Board on 30 June 1993 and was succeeded by Mr D.G. Jones on 13 October 1993.

At the next Annual General Meeting of the company, in accordance with the Articles of Association, all the current directors will retire, and, being eligible, will apply for re-election.

None of the directors had a beneficial interest in the shares of the company or other subsidiaries of Abbey National plc.

The beneficial interests of the directors, holding office at 30 June 1993, and their immediate families in the ordinary shares of 10p each in Abbey National plc are shown below.

	At 1 July 1992 [or date of appointment, if later]		Options granted during the year	At 30 June 1993	
	10p Ord Shares	Options		10p Ord Shares	Options
I. Harley	3,621	82,068	27,301	3,621	109,369
J.C. Nicholls	1,300	29,640	-	1,300	29,640
S.M. Julian	1,813	29,633	15,000	1,813	45,633
R. Garratt	1,608	8,034	-	1,608	8,034

ABBEY NATIONAL JUNE LEASING (1) LIMITED

DIRECTORS' REPORT - (continued)

DIRECTORS AND THEIR INTERESTS - (continued)

Options granted to directors under the ultimate parent company's Sharesave Schemes are exercisable at prices ranging from 149p to 322p per share respectively within six months of the fifth or seventh anniversary of the contract start date. Options granted under the Executive Share Option Scheme are exercisable at prices ranging from 254p to 369p per share after three years or five years and before ten years from the date of grant.

DIRECTORS' LIABILITY INSURANCE

The company maintains insurance cover for directors' and officers' liability, as permitted by Section 310(3) of the Companies Act 1985.

AUDITORS

A resolution to re-appoint Coopers & Lybrand as the company's auditors will be proposed at the next Annual General Meeting.

DIRECTORS' RESPONSIBILITIES

The directors of Abbey National June Leasing (1) Limited are required by UK company law to prepare accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and the profit for the year. They are also responsible for ensuring that proper and adequate accounting records have been maintained, and that reasonable procedures have been followed for safeguarding the assets of the group and for preventing and detecting fraud and other irregularities. Appropriate accounting policies, which follow generally accepted accounting practice have been applied consistently and are explained in the Notes to the Accounts. In addition, reasonable and prudent judgements and estimates have been used in the preparation of the accounts.

By Order of the Board

R G Mager 13 4 94

For and on behalf of
Abbey National Secretariat Services Limited
Company Secretary

REPORT OF THE AUDITORS TO THE MEMBERS OF
ABBEY NATIONAL JUNE LEASING (1) LIMITED

We have audited the accounts on pages 4 to 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs at 30 June 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers & Lybrand
Chartered Accountants and Registered Auditors
London

22 April 1994

ABBEY NATIONAL JUNE LEASING (1) LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 30 June 1993

	Notes	1993 £	1992 £
Turnover	3	<u>18,492,383</u>	<u>4,662,850</u>
Gross profit		18,492,383	4,662,850
Administrative expenses		(51,600)	(1,725)
Interest receivable	4	14, 17	27,950
Interest payable	5	<u>(16,391,113)</u>	<u>(4,282,942)</u>
Profit on ordinary activities before taxation	6	2,064,517	406,133
Taxation	7	<u>(670,979)</u>	<u>(78,290)</u>
Profit for the year	12	<u>1,393,538</u>	<u>327,843</u>

All activities of the company are regarded as continuing. The company has no recognised gains and losses other than those included in the profit above and therefore no separate statement of total recognised gains and losses has been presented.

The company's results as reported are on an historical basis. Accordingly, no note of historical cost profits and losses has been presented.

ABBEY NATIONAL JUNE LEASING (1) LIMITED

BALANCE SHEET
At 30 June 1993

	Notes	1993 £	1992 £
Current assets			
Debtors			
- amounts falling due within one year	8	50,782,885	80,396,962
- amounts falling due after more than one year: net investment in finance leases		190,881,295	181,181,205
		<u>241,664,180</u>	<u>261,578,167</u>
Current liabilities			
Creditors			
- amounts falling due within one year	9	(215,254,693)	(242,180,323)
Net current assets being also total assets less current liabilities		26,409,487	19,397,844
Provision for liabilities and charges			
Deferred taxation	10	(24,624,874)	(19,006,769)
		<u>1,784,613</u>	<u>391,075</u>
Capital and Reserves			
Called up share capital	11	2	2
Profit and loss account	12	1,784,611	391,073
		<u>1,784,613</u>	<u>391,075</u>

The accounts on pages 4 to 10 were approved
by the Board of Directors on 13. 4. 94
and signed on its behalf by:

.....  Director

ABBAY NATIONAL JUNE LEASING (1) LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 June 1993

1. ACCOUNTING POLICIES

Basis of accounting

The company prepares its accounts under the historical cost convention and in accordance with applicable accounting standards.

Net investment in finance leases

Net investment in finance leases is included in debtors and represents total minimum lease payments less gross earnings allocated to future periods.

Deferred taxation

Deferred taxation is provided only where it is probable that a taxation liability will arise. Provision is made at rates expected to be applicable when the liabilities crystallise.

Income from finance leases

Income from finance leases, including benefits from declining tax rates, is credited to the profit and loss account using the actuarial after tax method to give a constant periodic return on the net cash investment.

2. CASH FLOW STATEMENT

The company is a wholly owned subsidiary of Abbey National plc, a company registered in England and Wales.

Accordingly, the company is not required to produce a cash flow statement as prescribed in paragraph 8(c) of Financial Reporting Standard 1, Cash Flow Statements.

3. TURNOVER

Turnover comprises income from finance leases less fees payable. Turnover is stated net of VAT and other sales taxes.

	1993 £	1992 £
Analysis of turnover:		
Income from finance leases	20,579,749	4,706,423
Profit from disposal of leased assets	21,043	1,437
Fees receivable	379,534	248,916
Fees payable	(2,487,943)	(293,926)
	<u>18,492,383</u>	<u>4,662,850</u>

ABBREY NATIONAL JUNE LEASING (1) LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 June 1993 - (continued)

4. INTEREST RECEIVABLE

	1993 £	1992 £
In respect of amounts due from fellow subsidiary undertakings	10,272	16,242
Other interest income	4,575	11,708
	<u>14,847</u>	<u>27,950</u>

5. INTEREST PAYABLE

	1993 £	1992 £
In respect of amounts due to Abbey National Treasury Services plc, on loans repayable on demand	<u>16,391,113</u>	<u>4,282,942</u>

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1993 £	1992 £
Auditors' remuneration	<u>8,260</u>	<u>5,800</u>

During the year the directors of the company were employed by the ultimate parent undertaking, Abbey National plc. No apportionment of directors' remuneration had been made by the parent undertaking to the company (1992: £nil).

The company had no directly employed staff during the year (1992: nil).

7. TAXATION

	1993 £	1992 £
UK Corporation Tax at 33%		
Group relief receivable	(4,947,126)	(14,638,778)
Deferred tax	5,618,105	14,711,284
Provision for tax variation	-	5,784
	<u>670,979</u>	<u>78,290</u>

The provision for tax variation arises as a result of changes to corporation tax rates brought about by the Finance Act 1991. The company's finance lease agreements contain tax variation clauses which require the company to pass the benefit of tax rate changes to lessees in the form of reduced future lease rentals receivable.

ABBEY NATIONAL JUNE LEASING (1) LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 June 1993 - (continued)

8. DEBTORS

- amounts falling due within one year

	1993 £	1992 £
Amounts due from parent undertaking in respect of group relief	4,630,231	13,365,951
Amounts due from fellow subsidiary undertakings in respect of group relief	-	1,284,953
Other amounts due from fellow subsidiary undertakings	5,867	14,915
Net investment in finance leases	46,070,541	42,779,798
VAT recoverable	-	22,819,752
Other debtors	76,246	131,593
	<u>50,782,885</u>	<u>80,396,962</u>
Cost of assets acquired for the purpose of letting under finance leases in the year	<u>54,141,032</u>	<u>182,866,048</u>

Gross rentals receivable for the year amounted to £57,633,275 (1992: £15,766,622).

9. CREDITORS

- amounts falling due within one year

	1993 £	1992 £
Amounts owed to Abbey National Treasury Services plc	164,455,791	195,198,458
Amounts owed to fellow subsidiary undertakings	59,322	-
Rentals received in advance	47,849,928	46,823,363
VAT payable	2,873,176	-
Other creditors	16,476	158,502
	<u>215,254,693</u>	<u>242,180,323</u>

The amounts owed to fellow subsidiary undertakings and Abbey National Treasury Services plc are unsecured, repayable on demand and bear interest at market rates.

ABBEY NATIONAL JUNE LEASING (1) LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 June 1993 - (continued)

10. DEFERRED TAXATION

Deferred taxation provided in the accounts and the total potential liability, including the amounts for which provision has been made, are as follows:

	Amount provided		Total potential liability	
	1993 £	1992 £	1993 £	1992 £
Tax effect of timing differences because of excess of tax allowances over depreciation	<u>24,624,874</u>	<u>19,006,769</u>	<u>24,624,874</u>	<u>19,006,769</u>

The movement for deferred taxation is as follows:

Provision at 1 July 1992	19,006,769
Transfer from profit and loss account	5,618,105
Provision at 30 June 1993	<u>24,624,874</u>

11. CALLED UP SHARE CAPITAL

	1993 £	1992 £
Authorised 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

12. PROFIT AND LOSS ACCOUNT

At 1 July 1992	391,073
Profit for the year	1,393,538
At 30 June 1993	<u>1,784,611</u>

ABBEY NATIONAL JUNE LEASING (1) LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 June 1993 - (continued)

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£
Shareholders' funds at 1 July 1992	391,075
Profit for the financial year	1,393,538
	<hr/>
Shareholders' funds at 30 June 1993	<u>1,784,613</u>
Shareholders' funds at 1 July 1991	63,232
Profit for the financial year	327,843
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Shareholders' funds at 30 June 1992	<u>391,075</u>

14. CAPITAL COMMITMENTS

	1993 £	1992 £
Commitments as lessors for the purchase of equipment for use in financial leases.	<u>48,994,310</u>	<u>80,000,000</u>

15. ULTIMATE PARENT UNDERTAKING

The company's intermediate parent undertaking is Abbey National Treasury Services plc which is registered in England and Wales.

The company's ultimate parent undertaking is Abbey National plc which is registered in England and Wales. Consolidated accounts for Abbey National plc and Abbey National Treasury Services plc are available from Abbey House, Baker Street, London, NW1 6XL.